



Entered on Docket
August 29, 2006

Hon. Linda B. Riegle
United States Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

Case No. BK-S-06-10725 LBR
Case No. BK-S-06-10726 LBR
Case No. BK-S-06-10727 LBR
Case No. BK-S-06-10728 LBR
Case No. BK-S-06-10729 LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

Chapter 11

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
Debtor.

Jointly Administered Under
Case No. BK-S-06-10725 LBR

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

In re:
USA SECURITIES, LLC,
Debtor.

Affects:

- ☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

**ADMINISTRATIVE ORDER
ESTABLISHING PROCEDURES FOR
INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF
PROFESSIONALS
(AFFECTS ALL DEBTORS)**

Date: August 4, 2006
Time: 1:30 p.m.

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Upon the Debtors' Application for Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (Docket No. 570) (the "Application") filed June 9, 2006 by USA Commercial Mortgage Company ("USA"), USA Securities, LLC, USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust Deed Fund, LLC (each a "Debtor" and, collectively, the "Debtors"), which requests approval of proposed procedures for interim compensation and reimbursement of expenses of Professionals¹ retained by order of the Court; and it appearing that the Court has jurisdiction over this matter; and this Court having determined that notice was appropriate and that granting the relief requested in the Application is in the best interest of the Debtors and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore, it is

1. ORDERED that, except as may otherwise be provided in orders authorizing the retention of specific Professionals, all Professionals in these cases may seek interim compensation in accordance with the following procedures:

(a) On or about the 25th day of each month following the month for which compensation is sought, each Professional shall submit a monthly statement of fees and expenses ("Monthly Statement") to (i) designated counsel for Debtors; (ii) designated counsel for each of the four Official Committees appointed in these cases; and (iii) the Office of the United States Trustee (collectively, the "Reviewing Parties"). Each Reviewing Party shall have until the fifteenth day of the next calendar month to review the Monthly Statement. If none of the Reviewing Parties object as provided in paragraph (b) below, the applicable Debtor shall promptly pay, to the extent funds are available in such Debtor's estate, eighty percent (80%) of the fees requested and one hundred percent (100%) of the expenses requested in that particular Monthly Statement.

(b) In the event a Reviewing Party determines that compensation or reimbursement sought in a particular Monthly Statement is inappropriate or unreasonable,

¹ Unless otherwise defined herein, capitalized terms are defined in the Application.

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or that the numbers or calculations are incorrect, such Reviewing Party, on or before the fifteenth day of the next calendar month, shall serve upon (i) the Professional whose statement is objected to, and (ii) the other Reviewing Parties, a "Notice of Objection to the Monthly Statement" setting forth the precise nature of the objection and the amount at issue (the "Objection"). Thereafter, the objecting party and the Professional whose statement is the subject of the Objection shall meet and confer in an attempt to reach an agreement regarding the correct payment to be made. If an agreement cannot be reached or if no meeting or conference takes place, the Professional whose Monthly Statement is the subject of the Objection shall have the option of (i) filing with the Court the Monthly Statement, the Objection and a request for payment, or (ii) forgoing payment of the disputed amount until the interim fee application hearing for the period at issue, at which time the Court will consider and resolve the objection. The applicable Debtor, to the extent funds are available in such Debtor's estate, shall be required to pay promptly eighty percent (80%) of any portion of the fees requested and one hundred percent (100%) of any portion of the expenses requested that are not the subject of an Objection. In addition, if an agreement is reached regarding an Objection to a Monthly Statement, the parties to the Objection shall submit an explanation of the resolution to the other Reviewing Parties. Following receipt of the explanation, the applicable Debtor, to the extent funds are available in such Debtor's estate, shall promptly pay eighty percent (80%) of the undisputed fees and one hundred percent (100%) of undisputed expenses.

(c) For the initial period of these cases, Professionals may submit monthly statements covering the months of April, May, June, and July 2006 pursuant to this procedure, and such statements submitted on or prior to August 25, 2006 shall be considered timely Monthly Statements for purposes of this Order.

Thereafter, Monthly Statements for August 2006 may be submitted by each of the Professionals on or about September 25, 2006, Monthly Statements for September 2006 may be submitted on or about October 25, 2006, and so forth.

(d) Approximately every four (4) months (the "Fee Application Period"), each

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1 of the Professionals shall file with the Court and serve on the Reviewing Parties, on or
 2 before the last day of the month following the last day of the period for which
 3 compensation is sought, an application for interim approval and allowance, pursuant to
 4 section 331 of the Bankruptcy Code, of the compensation, including the Holdback, and
 5 reimbursement of expenses requested for the preceding four months (the "Fee
 6 Application"); provided, however, that if a Plan is confirmed prior to the expiration of the
 7 Fee Application Period, the Fee Application shall be filed no later than thirty (30) days
 8 following confirmation of the Plan. If a particular Professional fails to file and serve an
 9 interim fee application pursuant to this order, such Professional may not submit for
 10 payment and the Debtor shall not pay future Monthly Statement until such Professional has
 11 complied with the terms of these procedures. The first such Application shall be filed on
 12 or before August 31, 2006 for the Fee Application Period ending July 31, 2006.

13 (e) The pendency of a request for payment of a Monthly Statement to which an
 14 Objection has been made or an order of the Court that payment of fees or reimbursement of
 15 expenses was improper as to a particular Monthly Statement shall not disqualify a
 16 Professional from the future payment or compensation or reimbursement of expenses as set
 17 forth above.

18 (f) Neither the payment of, nor the failure to pay, in whole or in part, monthly
 19 interim compensation and reimbursement of expenses as provided herein shall bind any
 20 party in interest or the Court with respect to the interim or final allowance of applications
 21 for compensation and reimbursement of expenses; and it is further

22 2. ORDERED that each member of the Committees shall be permitted to
 23 submit statements of expenses and supporting vouchers to the attorneys for the respective
 24 Committee who will collect and submit such requests for reimbursement in accordance with the
 25 foregoing procedures for monthly compensation and reimbursement of Professionals; and it is
 26 further

27 3. ORDERED that the Debtors shall include all payments to Professionals on its
 28 monthly operating reports, detailed so as to state the amount paid to each of the Professionals; and

1 it is further

2 4. ORDERED that all time periods set forth in this Order shall be calculated in
3 accordance with Federal Rule of Bankruptcy Procedure 9006(a), and that the submission of
4 Monthly Statements and Objections thereto as provided in paragraphs 1(a) and (b) may be made
5 by electronic mail to the appropriate Reviewing Parties; and it is further

6 5. ORDERED that any and all other and further notice of the relief requested in the
7 Application is dispensed with and waived.

8 Submitted by:
9 RAY QUINNEY & NEBEKHER P.C. and
10 SCHWARTZER & MCPHERSON LAW FIRM

11 By: /s/ Lenard E. Schwartzer
12 LENARD E. SCHWARTZER, ESQ.
13 Attorneys for Debtor and Debtor-In-Possession

14 Approved/Disapproved by:
15 LEWIS AND ROCA, LLP

16 By: SUSAN M. FREEMAN, ESQ.
17 ROB CHARLES, ESQ.
18 *Counsel for the Official Committee of*
19 *Unsecured Creditors of USA Commercial*
20 *Mortgage Company*

21 Approved/Disapproved by:
22 ORRICK, HERRINGTON & SUTCLIFFE LLP
23 and BECKLEY SINGLETON, CHTD.

24 By: MARC A. LEVINSON, ESQ.
25 LYNN TRINKA ERNCE, ESQ.
26 BRETT A. AXELROD, ESQ.
27 ANNE M. LORADITCH, ESQ.
28 *Counsel for the Official Committee of*
Equity Security Holders of USA Capital
Diversified Trust Deed Fund, LLC

Approved/Disapproved by:
OFFICE OF THE U.S. TRUSTEE

By: 
AUGUST B. LANDIS, ESQ.

Approved/Disapproved by:
GORDON & SILVER, LTD.

By: GERALD M. GORDON, ESQ.
GREGORY E. GARMAN, ESQ.
Counsel for the Official Committee of
Holders of Executory Contract Rights of
USA Commercial Mortgage Company

Approved/Disapproved by:
STUTMAN TREISTER & GLATT, P.C. and
SHEA & CARLYON, LTD.

By: /s/ Candace C. Carlyon
FRANK A. MEROLA, ESQ.
EVE KARASIK, ESQ.
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2 4. ORDERED that all time periods set forth in this Order shall be calculated in
3 accordance with Federal Rule of Bankruptcy Procedure 9006(a), and that the submission of
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12 LENARD E. SCHWARTZER, ESQ.
13 Attorneys for Debtor and Debtor-In-Possession

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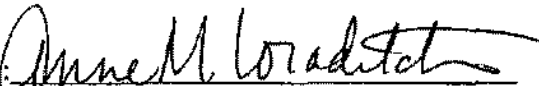
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